

# CAPITAL REGIONAL DISTRICT

REGIONAL WATER SUPPLY SERVICE  
DEVELOPMENT COST CHARGE  
BACKGROUND REPORT

December 2025

URBAN SYSTEMS  
312 – 645 FORT STREET, VICTORIA BC V9W 1G2  
T: 250.220.7060



**PREPARED FOR:**

CAPITAL REGIONAL DISTRICT  
625 Fisgard Street  
Victoria, BC V8W 1R7

**ATTENTION:**

Patrick Stephens, P.Eng.  
Project Engineer

**PREPARED BY:**

URBAN SYSTEMS LTD.  
Shaun Heffernan, MCIP, RPP  
Senior Planner / Principal  
E: [sheffernan@urbansystems.ca](mailto:sheffernan@urbansystems.ca) | T: 778.557.7213

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## EXECUTIVE SUMMARY

Currently, the Capital Regional District (CRD) has no Development Cost Charge (DCC) Bylaw for the Regional Water Supply (RWS) service which supplies water to most areas within Greater Victoria. The 2017 RWS Strategic Plan outlines exploring DCCs as a priority for this service and the 2023-2026 Corporate Plan included an initiative to implement a DCC program for the RWS service. A DCC program was developed in the past; however, a DCC Bylaw was not adopted (circa 1994).

The adoption of a RWS DCC bylaw is seen as an important step for supporting the implementation and funding of future critical infrastructure needs identified in the Capital Regional District (CRD) RWS 2022 Master Plan.

The development of this DCC program included the following:

- Review of existing policies and administrative procedures to determine appropriate approaches for this DCC program and bylaw;
- Review of residential and non-residential growth estimates;
- Review of critical and growth-related RWS infrastructure;
- Identification of eligible DCC projects, cost estimates, and appropriate benefit allocations;
- Staff workshops and Council presentations in all CRD member municipalities;
- Consultation with the public and interested parties;
- Determination of appropriate land use categories and units of charge; and,
- Allocation of costs based on infrastructure impact.

The proposed DCC rates based on the inputs to the DCC program are provided in **Table 1** below.

*Table 1 - Proposed DCC Rates*

Land Use	Unit	Rate
Low-Density Residential (Single Family, Two-Unit Dwelling)	Per lot (or unit, in the case of a Two-Unit Dwelling)	<b>\$9,044</b>
Medium-Density Residential (Triplex, Fourplex, Townhouse, Manufactured House)	Per unit	<b>\$7,914</b>
High-Density Residential (Apartment)	Per unit	<b>\$5,087</b>
Commercial	Per sq.m. GFA	<b>\$33.92</b>
Industrial	Per sq.m. GFA	<b>\$16.96</b>
Institutional	Per sq.m. GFA	<b>\$73.48</b>

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## 1.1 DCC KEY ELEMENTS

Prepared by the Ministry of Municipal Affairs and Housing, the Best Practices Guide stipulates key elements that should be considered when determining DCC rates. **Table 2** outlines the key elements, decisions, and supporting rationale used in the development of this DCC program. The table also indicates whether the proposed approach aligns with the Best Practices Guide.

*Table 2 - DCC Key Elements*

Key Element		Rationale
<b>Time Horizon</b>	30 Years	<ul style="list-style-type: none"> <li>Aligns with the CRD Regional Growth Strategy and RWS 2022 Master Plan time horizons.</li> </ul>
<b>Municipal-wide (system-wide) or area-specific charge</b>	System-wide (covers all areas serviced by the RWS system, now or to service growth)	<ul style="list-style-type: none"> <li>System-wide based on infrastructure that is reasonably expected to service the whole network to meet the needs of growth in all areas.</li> </ul>
<b>Grant Assistance</b>	None	<ul style="list-style-type: none"> <li>No identified DCC projects anticipate grant funding at this time.</li> </ul>
<b>Developer Contribution</b>	None	<ul style="list-style-type: none"> <li>No identified DCC projects include a developer contribution at this time.</li> </ul>
<b>Financing</b>	None	<ul style="list-style-type: none"> <li>No long-term debt financing has been included.</li> </ul>
<b>Benefit Allocation</b>	35 - 100%	<ul style="list-style-type: none"> <li>100% benefit is allocated to projects required only to increase capacity due to growth or to service growth.</li> <li>For projects where both new and existing residents will benefit, benefit has been calculated based on the ratio of new population to total population (approx. 35%) or rule of thumb (50%).</li> </ul>
<b>Assist Factor</b>	1%	<ul style="list-style-type: none"> <li>The CRD Regional Water Supply Commission (RWSC) directed the project team to proceed with a 1% assist factor.</li> </ul>

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Key Element	Rationale
<b>Units of Charge</b>	<p>Per lot; per unit; per square metre of gross floor area</p> <ul style="list-style-type: none"> <li>• <i>Per lot</i> (for single family) or <i>per unit</i> (for Two-Unit Dwellings) for Low Density Residential DCCs. DCCs are levied on single family lots at time of subdivision. DCCs are levied at time of building permit for Two-Unit Dwellings. For clarity, two DCCs would be levied on a Two-Unit Dwelling (one for each unit). This ensures that DCC collection closely correlates with timing of impact on infrastructure and when the total number of units is known.</li> <li>• <i>Per unit</i> for Medium Density Residential (triplexes, fourplexes, row houses, townhouses, and manufactured homes) and High Density Residential (apartment). DCCs are levied at time of building permit for Medium Density and High Density Residential categories when number of units is known.</li> <li>• <i>Per square metre of gross floor area</i> for Commercial, Industrial, Institutional uses as impact on infrastructure is expected to correlate with floor space.</li> </ul>

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## 2.0 INTRODUCTION AND BACKGROUND

### 2.1 CONTEXT

The Capital Regional District (CRD) is seeking to implement a Development Cost Charge (DCC) Bylaw to help fund the growth-driven infrastructure needed for the Regional Water Supply (RWS) service. The two main background documents that support the development of this program development include: the 2017 RWS Strategic Plan, which outlines exploring DCCs as a priority for this service; and the RWS 2022 Master Plan that outlines the necessary projects to service growth.

The CRD provides regional water supply services which treat and supply bulk water to most areas within Greater Victoria. **Figure 1** shows the service areas for the thirteen (13) municipalities and one (1) electoral area included in this DCC program. The regional water supply also services eight (8) First Nation communities that are exempt from the proposed DCC program and subsequent rates.

Urban Systems Ltd. was retained to assist the CRD in the development of the program and bylaw, with an emphasis on aligning the development of the DCC program with the CRD's existing water DCC bylaws, which include the *Development Cost Charges Bylaw (Juan de Fuca Water Distribution)*, Bylaw No. 2758 (Consolidated), and the *Saanich Peninsula Water and Wastewater Development Cost Charges Bylaw No. 3208 (Consolidated)*. Note that these Bylaws are amended from time to time.

The proposed DCC program and rates in this report are based on priority growth-related infrastructure needs and capital costs identified in the RWS 2022 Master Plan and the CRD's 2023 Draft Capital Plan. Region-wide growth estimates are calculated based on the CRD's Regional Growth Strategy with reference to Official Community Plan (OCP) land use designations for the member municipalities and supported with BC Stats data.

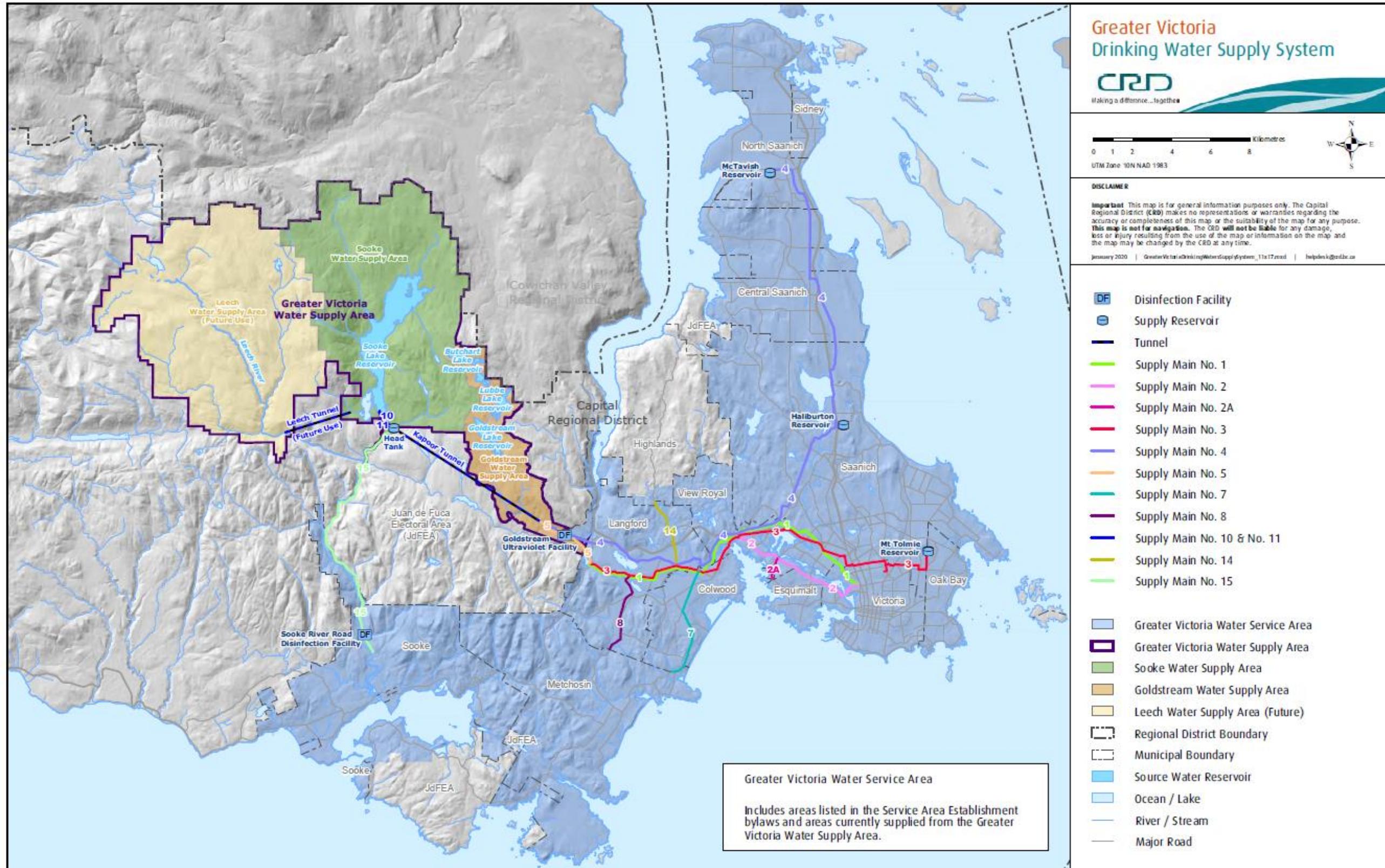
As defined by the Water Supply Local Service Area Establishment Bylaw No. 2537 (which is amended from time to time), the communities within the service area that are included in this DCC program are:

- City of Victoria
- Township of Esquimalt
- District of Saanich
- District of Central Saanich
- District of North Saanich
- District of Oak Bay
- Town of View Royal
- District of Sooke
- City of Langford
- City of Colwood
- Town of Sidney
- District of Metchosin
- District of Highlands
- Juan de Fuca Electoral Area A

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Figure 1 - Regional Water Supply Service Area



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The proposed DCC program ensures that those who will use and benefit from the services provided pay their share of the growth-related costs in a fair and equitable manner (the ‘benefiter pays’ principle). A comprehensive review of the potential for development throughout the communities serviced by the RWS system was completed as part of this proposed DCC program development. The proposed DCC program creates certainty for the development industry by providing predictable and consistent charges for water supply services and by facilitating the orderly and timely construction of infrastructure by the CRD to meet the growing demand.

## 2.2 DRIVERS

Many municipalities and Regional Districts across British Columbia (BC) use DCCs as a cost-recovery tool to support municipal financial sustainability. The advantages of implementing a DCC bylaw include:

- **Clear and consistent rules** – It gives developers a predictable and transparent framework to follow.
- **Sustainable funding** – It helps the CRD collect money to pay for the services and infrastructure needed as the community grows.
- **Fair cost sharing** – It ensures that developments benefiting from new infrastructure help pay for it, following the “growth pays for growth” principle.
- **Transparency** – It makes it clear how much growth-related infrastructure costs and how those costs are funded.
- **Reduced financial risk** – It allows the CRD to plan and save for future infrastructure, avoiding large, unexpected expenses.

Major drivers for the development of the CRD’s Water Supply DCC program are an increase in development pressures, growth in Member Municipalities, and changing development patterns within the region.

## 2.3 LEGISLATIVE CONTEXT

DCCs are charges collected by local governments to help pay for infrastructure expenditures required to service growth. The *Local Government Act* (Part 14, Division 19) sets out the general requirements under which local governments may charge DCCs. Funding generated through DCCs are used to help accommodate growth and development through capital cost investment; eligible capital costs that can be funded through DCCs include (also see **Section 2.5**):

- Providing, constructing, altering or expanding water, sewage, drainage and transportation facilities;
- Constructing fire, protective service, and solid waste or recycling facilities; and,
- Providing for and improving parkland.

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Regional Districts wanting to collect DCCs must adopt a DCC bylaw that specifies the DCC amounts to be collected. The charges may vary with respect to:

- Different zones or different defined or specific areas;
- Different uses;
- Different capital costs as they relate to different classes of development; and,
- Different sizes or different numbers of lots or units in a development.

When developing a DCC program, municipal councils and regional district boards must consider the impact of the DCCs on development. Generally, DCCs are payable at subdivision approval or when the building permit is issued. DCCs are not payable if the new development does not negatively impact the existing infrastructure, or the impact of that development does not require infrastructure improvements.

Funds collected through DCCs must be deposited into a separate reserve account. These funds may only be used to pay for the capital costs of the works and short-term financing costs of debt incurred for capital works identified in the DCC program. Costs for capital works include not only the actual construction of the works but also the planning, engineering, and legal costs which are directly related to the works.

## **2.4 RELATIONSHIP TO OTHER DOCUMENTS**

This proposed DCC program has been developed to be consistent with the following legislation, plans, and policy guides, including:

- *Local Government Act (LGA)*
- Development Cost Charges Best Practices Guide (Best Practices Guide)
- Development Cost Charge Guide for Elected Officials
- RWS 2017 Strategic Plan
- CRD 2023-2026 Corporate Plan
- CRD RWS 2022 Master Plan
- CRD Draft 2023 Capital Plan
- CRD Regional Growth Strategy (2018)
- Municipal Official Community Plans and Neighbourhood Plans

## **2.5 ELIGIBLE RECOVERABLE COSTS**

The recoverable DCC costs include those associated with implementing the project lists based on technical input from master planning, capital plans, and staff. The eligible recoverable capital costs associated with DCC projects have been interpreted by the Ministry to include the following scope of capitalized activities:

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- Planning;
- Public consultation;
- Engineering design;
- Right-of-way or parkland acquisition;
- Legal costs;
- Interim financing;
- Contract administration;
- Construction; and,
- Contingencies.

The recoverable DCC costs are derived from a benefit allocation assigned to each project based on how it would benefit growth versus the existing population. The total DCC recoverable costs factor in the project-specific benefit allocations, which are calculated using the overall capital costs.

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## 3.0 GROWTH PROJECTIONS AND EQUIVALENCIES

This section outlines the technical inputs and analysis used to determine the costs of the DCC program and the water infrastructure required to support future growth:

- **Scope of the program:** Establishing whether DCCs will be applied across the entire region or to specific areas, identifying the services eligible for DCC funding, and determining the planning time frame.
- **Estimating growth:** Projecting population and development growth, classifying development by land use categories, and applying equivalency factors to ensure consistent and fair cost allocation.
- **Identifying projects lists:** Listing growth-related capital projects, determining how much each project benefits new versus existing development, and identifying the portion of costs to be funded by the CRD rather than through DCCs.

These technical components, together with Council's discretion in setting the MAF, are used to calculate the draft DCC rate.

### 3.1 SCOPE OF PROGRAM

The proposed DCC bylaw facilitates the adoption of a region-wide water supply DCC. Since this is a water supply DCC, the same DCC rate is proposed to be applied for each land use deemed to generate a similar or same capital cost burden, regardless of development location within the RWS service area. Since the RWS service does not operate in isolation and is one whole system, a region-wide DCC charge is appropriate rather than an area-specific DCC charge. A region-wide approach also provides greater flexibility for allocated funding to projects within the program.

### 3.2 DEVELOPMENT FORECAST

#### LAND USE CATEGORIES

The proposed DCCs are based on different land use categories that reflect the impact of different built forms on infrastructure services. The definitions in **Table 3** apply to the land use categories in the DCC Bylaw.

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*Table 3 - Land Use Categories and Definitions*

<b>Land Use</b>	<b>Inclusions and Definitions</b>
<b>Low Density Residential</b>	A building containing one Dwelling Unit, or a building containing one Dwelling Unit and an Attached Secondary Suite, or a Two Unit Dwelling.
<b>Medium Density Residential</b>	A Detached Secondary Suite, or a building that is used or designed to contain 3 or more Dwelling Units, each having direct access to the outside at grade level, and for certainty does not include a building containing a Dwelling Unit wholly or partly above another Dwelling Unit.
<b>High Density Residential</b>	A building containing 3 or more Dwelling Units, one or more of which are wholly or partly above another Dwelling Unit.
<b>Commercial</b>	Land zoned for commercial uses under a Zoning Bylaw enacted by a Member Municipality or the District.
<b>Industrial</b>	Land zoned for Industrial uses under a Zoning Bylaw enacted by a Member Municipality or the District.
<b>Institutional</b>	Land zoned for an institutional use under a Zoning Bylaw enacted by a Member Municipality or the District, and any Development providing for the assembly of persons for religious, charitable, philanthropic, cultural, civic, educational, or recreational purposes; including but not limited to auditoriums, youth centres, social halls, group camps, schools, and churches.

The 30-year growth projections for different residential unit types (i.e., low, medium, and high density) and non-residential (i.e., commercial, industrial, and institutional) uses were developed using multiple sources and references, including:

- Current and historic growth trends determined from BC Stats population estimates;
- The Regional Growth Strategy (RGS);
- Local government planning documents from Member Municipalities; and,
- Information on major ongoing development applications from Member Municipalities.

This information was used to determine the distribution of this growth between municipalities and the Regional District (Electoral Area A).

Additionally, effort was made to ensure alignment between units of charge and growth projections applied in other CRD DCC programs, notably for the Juan de Fuca Water Distribution system and the Saanich Peninsula Water and Wastewater system.

All growth projections were reviewed with each municipality and Electoral Area within the CRD through a series of staff workshops held between September 2023 and January 2024.

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A summary of residential and non-residential growth is provided in **Table 4** and **Table 5**. Growth is expressed in population for residential projections and in square meters of gross floor area and equivalent population for non-residential projections.

*Table 4 - Distribution of Residential Population Growth in RWS Service Area by Dwelling Type (30-year)*

RESIDENTIAL			
Dwelling Type	Number of Units	Persons per Unit	Equivalent Population
<b>Low-Density Residential</b>	15,190	3.2	48,608
<b>Medium-Density Residential</b>	13,640	2.8	38,192
<b>High-Density Residential</b>	33,800	1.8	60,840
<b>TOTAL</b>	<b>62,630</b>	-	<b>147,640</b>

*Table 5 - Non-Residential Development in RWS Service Area (30-year)*

NON-RESIDENTIAL		
Development Type	New Gross Floor Area (m <sup>2</sup> )	Equivalent Population
<b>Commercial</b>	1,480,000	17,760
<b>Industrial</b>	2,130,000	12,780
<b>Institutional</b>	270,500	7,033
<b>TOTAL</b>	<b>3,880,500</b>	<b>37,573</b>

### 3.3 EQUIVALENCIES

The equivalencies used in this DCC program to calculate DCC rates have been reviewed and reflect those used in the CRD's existing DCC Bylaws. These equivalencies are expected to align with the impact on infrastructure for the RWS service. These equivalent units, shown in **Table 6**, reflect relative impact and align with DCC best practices.

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Table 6 - *Equivalencies*

Land Use	Unit of Development	Equivalent Unit Conversion Factors (persons per unit)
<b>Low-Density Residential</b>	Per Lot (or unit, in the case of a Two-Unit Dwelling)	3.2
<b>Medium-Density Residential</b>	Per Unit	2.8
<b>High-Density Residential</b>	Per Unit	1.8
<b>Commercial</b>	Per sq.m. GFA	0.012
<b>Industrial</b>	Per sq.m. GFA	0.006
<b>Institutional</b>	Per sq.m. GFA	0.026

For residential demand, occupancy rates can be used to project demands for water services. Using the equivalencies identified above, the total new residential population is projected at **147,640** people.

For non-residential land uses, equivalent populations per square metre of gross floor area have been established based on best practices and industry standards. The total equivalent new non-residential population, determined by applying the equivalent unit conversion factors to the total estimated non-residential gross floor area, is projected at **37,573** people.

The combined residential and non-residential equivalent new population is **185,213** people over the 30-year DCC time horizon.

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## 4.0 PROJECT LIST

### 4.1 DCC PROJECTS

The DCC program was developed based on a review and prioritization of growth-related projects in the CRD's Regional Water Supply 2022 Master Plan, staff inputs and the 2023 Draft Capital Plan. A summary of proposed DCC projects is provided in **Table 7** (below); where applicable, projects have been mapped and are shown in **Figure 2**. The DCC calculation, equivalent conversion factors per unit and per square metre are established in **Table 8**.

All projects are owned and capitalized by the CRD.

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Table 7 – Proposed DCC Program

Item	Project	Cost Estimate (A)	DCC Benefit Factor (B)	Benefit to New Development (C = A x B)	Municipal Assist Factor 1% (D = C x Assist Factor)	DCC Recoverable (E = C - D)	CRD Responsibility F = (A - E)
<b>SOOKE LAKE RESERVOIR DEEP NORTHERN INTAKE</b>							
<b>W1</b>	Deep Northern Intake (Floating Pump Station)	\$72,505,000	35%	\$25,376,750	\$253,768	\$25,122,983	\$47,382,018
<b>W2</b>	Sooke Lake Reservoir - Water Quality Sensors, Monitoring and Studies	\$740,000	35%	\$259,000	\$2,590	\$256,410	\$483,590
<b>W3</b>	Conceptual Design of Floating Pump Station and Transmission Main	\$1,500,000	35%	\$525,000	\$5,250	\$519,750	\$980,250
	<b>Subtotal</b>	<b>\$74,745,000</b>	-	<b>\$26,160,750</b>	<b>\$261,608</b>	<b>\$25,899,143</b>	<b>\$48,845,858</b>
<b>LEECH WATERSHED</b>							
<b>W4</b>	Leech River Diversion	\$16,700,000	100%	\$16,700,000	\$167,000	\$16,533,000	\$167,000
<b>W5</b>	Sooke Lake Saddle Dam Hydraulic Improvements and Studies	\$10,300,000	100%	\$10,300,000	\$103,000	\$10,197,000	\$103,000
<b>W6</b>	Leech River Watershed Restoration, Mapping and Studies	\$1,513,000	100%	\$1,513,000	\$15,130	\$1,497,870	\$15,130
	<b>Subtotal</b>	<b>\$28,513,000</b>	-	<b>\$28,513,000</b>	<b>\$285,130</b>	<b>\$28,227,870</b>	<b>\$285,130</b>
<b>WATER FILTRATION PLANT</b>							
<b>W7</b>	Japan Gulch Dam Decommissioning	\$10,256,000	35%	\$3,589,600	\$35,896	\$3,553,704	\$6,702,296
<b>W8</b>	Filtration Plant	\$739,655,000	35%	\$258,879,250	\$2,588,793	\$256,290,458	\$483,364,543
<b>W9</b>	Filtration Plant Clearwell	\$23,999,000	35%	\$8,399,650	\$83,997	\$8,315,654	\$15,683,347
<b>W10</b>	Treated Water Pump Station	\$29,780,000	35%	\$10,423,000	\$104,230	\$10,318,770	\$19,461,230
<b>W11</b>	Filtration Plant Stage 2 Balancing Tank	\$15,384,000	35%	\$5,384,400	\$53,844	\$5,330,556	\$10,053,444
	<b>Subtotal</b>	<b>\$819,074,000</b>	-	<b>\$286,675,900</b>	<b>\$2,866,759</b>	<b>\$283,809,141</b>	<b>\$535,264,859</b>
<b>TRANSMISSION MAINS</b>							
<b>W12</b>	Phase 1 - Transmission Main Upgrades	\$7,499,000	35%	\$2,624,650	\$26,247	\$2,598,404	\$4,900,597
<b>W13</b>	Phase 2 - Transmission Main Upgrades	\$38,204,000	35%	\$13,371,400	\$133,714	\$13,237,686	\$24,966,314
<b>W14</b>	Phase 3 - Transmission Main Upgrades	\$55,293,000	35%	\$19,352,550	\$193,526	\$19,159,025	\$36,133,976
<b>W15</b>	Deep Northern Intake to Head Tank Transmission Main	\$38,768,000	35%	\$13,568,800	\$135,688	\$13,433,112	\$25,334,888
<b>W16</b>	Sooke Lake Dam to Head Tank Transmission Main	\$7,384,000	35%	\$2,584,400	\$25,844	\$2,558,556	\$4,825,444
<b>W17</b>	Jack Lake Head Tank to Japan Gulch Transmission Main	\$208,649,000	35%	\$73,027,150	\$730,272	\$72,296,879	\$136,352,122
<b>W18</b>	Goldstream Connector to Japan Gulch Transmission Main	\$67,075,000	35%	\$23,476,250	\$234,763	\$23,241,488	\$43,833,513
<b>W19</b>	Goldstream Connector Balancing Tank	\$5,538,000	35%	\$1,938,300	\$19,383	\$1,918,917	\$3,619,083
<b>W20</b>	East-West Connector Transmission Main	\$58,562,000	35%	\$20,496,700	\$204,967	\$20,291,733	\$38,270,267
	<b>Subtotal</b>	<b>\$486,972,000</b>	-	<b>\$170,440,200</b>	<b>\$1,704,402</b>	<b>\$168,735,798</b>	<b>\$318,236,202</b>

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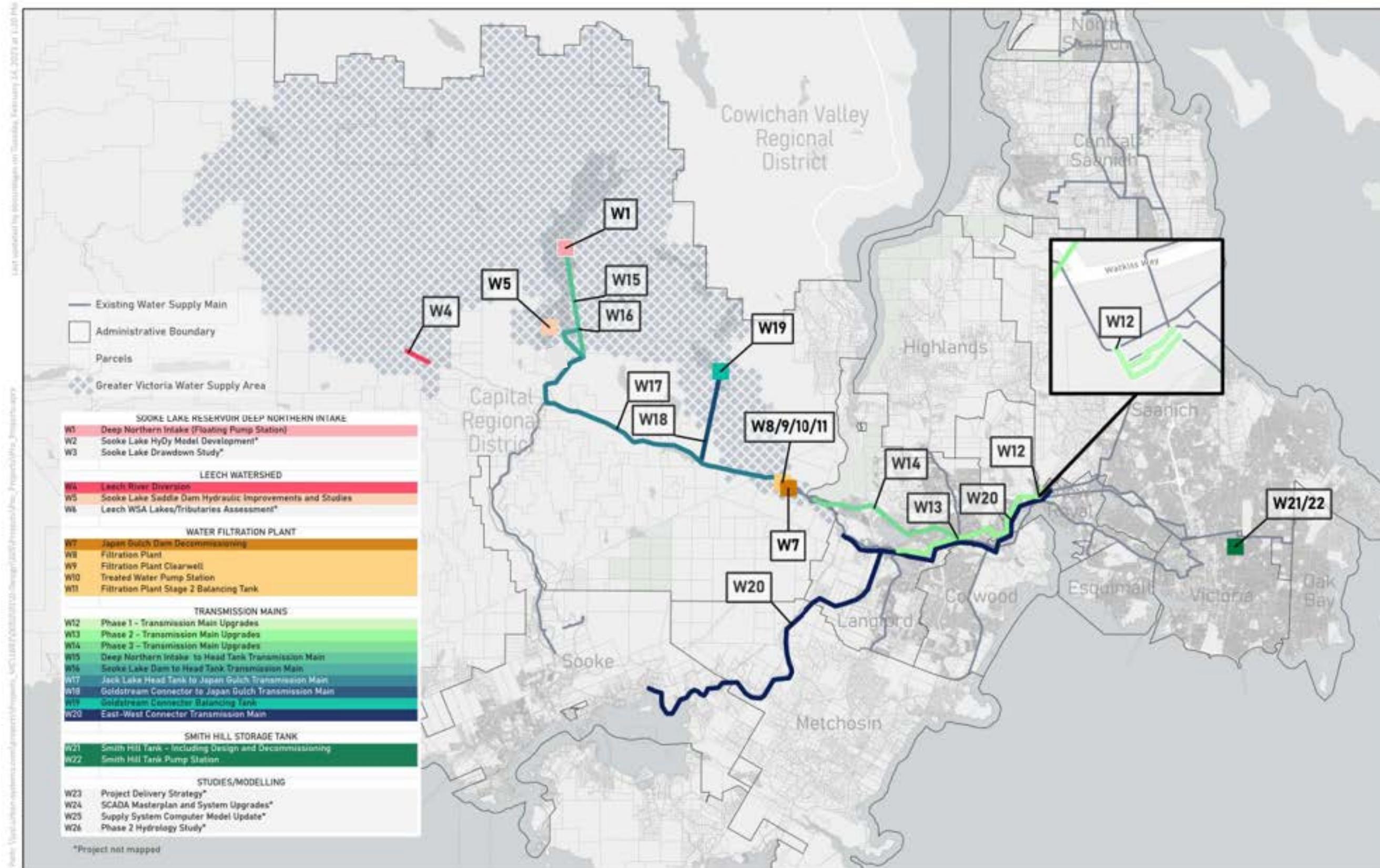
## REGIONAL WATER SUPPLY DEVELOPMENT COST CHARGE BACKGROUND REPORT

Item	Project	Cost Estimate (A)	DCC Benefit Factor (B)	Benefit to New Development (C = A x B)	Municipal Assist Factor 1% (D = C x Assist Factor)	DCC Recoverable (E = C - D)	CRD Responsibility F = (A - E)
<b>SMITH HILL STORAGE TANK</b>							
<b>W21</b>	Smith Hill Tank - Including Design and Decommissioning	\$14,120,000	50%	\$7,060,000	\$70,600	\$6,989,400	\$7,130,600
<b>W22</b>	Smith Hill Tank Pump Station	\$17,148,000	50%	\$8,574,000	\$85,740	\$8,488,260	\$8,659,740
	<b>Subtotal</b>	<b>\$31,268,000</b>	-	<b>\$15,634,000</b>	<b>\$156,340</b>	<b>\$15,477,660</b>	<b>\$15,790,340</b>
<b>STUDIES/MODELLING</b>							
<b>W23</b>	Project Delivery Strategy	\$200,000	35%	\$70,000	\$700	\$69,300	\$130,700
<b>W24</b>	SCADA Masterplan and System Upgrades	\$2,000,000	35%	\$700,000	\$7,000	\$693,000	\$1,307,000
<b>W25</b>	Supply System Computer Model Update	\$100,000	35%	\$35,000	\$350	\$34,650	\$65,350
<b>W26</b>	Phase 2 Hydrology Study	\$1,500,000	35%	\$525,000	\$5,250	\$519,750	\$980,250
	<b>Subtotal</b>	<b>\$3,800,000</b>	-	<b>\$1,330,000</b>	<b>\$13,300</b>	<b>\$1,316,700</b>	<b>\$2,483,300</b>
	<b>TOTAL</b>	<b>\$1,444,372,000</b>	-	<b>\$528,753,850</b>	<b>\$5,287,539</b>	<b>\$523,466,312</b>	<b>\$920,905,689</b>

## CAPITAL REGIONAL DISTRICT

## REGIONAL WATER SUPPLY DEVELOPMENT COST CHARGE BACKGROUND REPORT

Figure 2 - DCC Projects Map (Approximate Locations)



## CAPITAL REGIONAL DISTRICT

## REGIONAL WATER SUPPLY DEVELOPMENT COST CHARGE BACKGROUND REPORT

Table 8 - DCC Calculations

## 30 Year Time Horizon: 2022- 2051

DCC Calculation					
	Col. (1)	Col. (2)	Col. (3)	Col. (4)=(2) x (3)	Col.(5) = (4)/(a)
Equivalent Population Estimates	Unit	Estimated New Development	Persons per Unit	Equivalent Population	% Equivalent Population
Low-Density Residential	per lot (or unit, in the case of a Two-Unit Dwelling)	15,190	3.2	48,608	26%
Medium-Density Residential	per unit	13,640	2.8	38,192	21%
High-Density Residential	per unit	33,800	1.8	60,840	33%
Commercial	per sq.m. GFA	1,480,000	0.012	17,760	10%
Industrial	per sq.m. GFA	2,130,000	0.006	12,780	7%
Institutional	per sq.m. GFA	270,500	0.026	7,033	4%
<b>Total Equivalent Population:</b>				185,213	(a) 100%
<b>B: Unit Water DCC Calculation</b>					
Net Water DCC Program Recoverable (Table 7)		\$523,466,312	(b)		
Existing DCC Reserve Monies		\$0.00	(c)		
Net Amount to be Paid by DCCs		\$523,466,312	(d) = (b) - (c)		
DCCs per Person		\$2,826.29	(e) = (d) / (a)		
<b>C: Resulting Water DCCs</b>					<b>DCC Revenue Estimates</b>
Low-Density Residential		\$9,044	per lot (or unit, in the case of a Two-Unit Dwelling)	(e) X Col. (3)	\$137,380,478
Medium-Density Residential		\$7,914	per unit	(e) X Col. (3)	\$107,941,804
High-Density Residential		\$5,087	per unit	(e) X Col. (3)	\$171,951,701
Commercial		\$33.92	per sq.m. GFA	(e) X Col. (3)	\$50,194,974
Industrial		\$16.96	per sq.m. GFA	(e) X Col. (3)	\$36,120,032
Institutional		\$73.48	per sq.m. GFA	(e) X Col. (3)	\$19,877,323

## 4.2 DETERMINING BENEFIT FACTORS

Project benefit allocations are used to determine the extent to which a proposed project benefits future growth versus existing users. Allocations are determined on a project-by-project basis based on:

- Population growth (new vs. existing population); and,
- Project triggers and timing.

Some DCC projects may benefit the population at large, in which case the capital costs (or a portion of them) should be shared by the entire region. Other projects will only benefit new growth, in which case the new users benefiting from these services will pay most of the project costs.

The benefit allocation of each DCC-eligible project was evaluated on a scale of 35% to 100%. Three approaches were used, which include:

1. **Baseline – Benefit to the Population at Large (35%):** Primarily benefits existing development, but will also add capacity that proportionately benefits and supports the future population of the region, which is expected to grow by approximately 35% over the next 30 years.
2. Rule of Thumb:
  - **50%** - Benefits both existing development and new growth by adding capacity that benefits and supports the current and future population of the region.
  - **100%** - Allocated to projects required only to increase capacity due to growth or to service growth (i.e., this project would not be built without growth).

**Note:** The Leech Watershed project and its components (W4, W5, and W6) represent an entirely new water supply source that would not be required if growth were not to occur and would be used to service only new population in the CRD. As such, it is assigned a benefit factor of 100%.

## 4.3 USE OF MUNICIPAL ASSIST FACTOR

The CRD has opted for a 1% Municipal Assist Factor (MAF) for the Water DCC program.

To reduce the initial impact of the DCC rates on development viability, the CRD Board may opt to increase the MAF percentage and reduce it annually, as desired. The CRD Board did not opt to proceed with a phase-in of the DCC rates in the initial years of program implementation.

When setting the MAF, the CRD Board considered the impact of the proposed rates on the viability of new development as well as infrastructure needs over the course of the proposed program's time horizon of 30 years.

# 5.0 DCC RATES

## 5.1 DCC SUMMARY COSTS

DCC costs and rates are determined by applying the key elements, growth projections, and equivalencies described earlier in this report to projects that are determined to be DCC eligible and expected to be built within the specified DCC timeframe. A summary of the DCC costs for the RWS service is provided in **Table 6**.

*Table 9 - DCC Program Overview and Capital Costs<sup>(2)</sup>*

Total Capital Costs	Benefit Allocation	Assist Factor	DCC Recoverable Program Costs	CRD Costs <sup>(1)</sup>
\$1,444.4 M	35% - 100%	1%	\$523.5 M	\$920.9 M

(1) Includes assist factor and portion allocated to existing development.

(2) Numbers may not add due to rounding.

## 5.2 INTEREST ON LONG-TERM DEBT

No interest on long-term debt is included in the RWS DCC program.

## 5.3 PROPOSED DCC RATES

A summary of proposed DCC rates for all land use categories are shown in **Table 10** below.

*Table 10 - Proposed DCC Rates*

Land Use	Unit	Rate
Low-Density Residential (Single Family, Two-Unit Dwellings)	Per lot (or unit, in the case of a Two-Unit Dwelling)	<b>\$9,044</b>
Medium-Density Residential (Triplex, Fourplex, Townhouse, Manufactured House)	Per unit	<b>\$7,914</b>
High-Density Residential (Apartment)	Per unit	<b>\$5,087</b>
Commercial	Per sq.m. GFA	<b>\$33.92</b>
Industrial	Per sq.m. GFA	<b>\$16.96</b>
Institutional	Per sq.m. GFA	<b>\$73.48</b>

## 6.0 POLICY CONSIDERATIONS AND DECISIONS

This section provides information that will guide implementation of the proposed RWS DCC Bylaw.

### 6.1 FINANCIAL FEASIBILITY

When setting DCCs, the *LGA* requires local governments to consider whether the charges will: deter development; discourage the construction of reasonably priced housing; or, discourage the provision of reasonably priced serviced land.

The impacts of the new DCC rates will vary depending between unit types and locations between the CRD. Generally, they represent minor changes to overall development costs and are not seen to be a meaningful driver of development unviability.

### 6.2 CONSULTATION WITH INTERESTED PARTIES

Although the *LGA* does not require a consultation process with interested parties, the Best Practices Guide does suggest an opportunity for consultation be included as part of the formulation of a DCC program. The purpose of such a process is to allow interested parties to offer comments and input on the proposed DCC. The Best Practices Guide does not set a recommended format to be followed for public participation; instead, the type of public participation is up to the discretion of the CRD.

The CRD remained committed to ensuring that Municipal staff, Councils, the public, and other interested parties were informed at all major stages in the development of the Regional Water Supply (RWS) DCC program. During the earlier program development stages, 14 municipal (including CRD Electoral Areas) workshops and 13 municipal Council meetings were held, in addition to the broader consultation outlined below.

The first stage of consultation with interested parties was conducted between May and July 2024. Engagement included two information sessions, one with the public on June 19, 2024 and one with the development community on June 20, 2024. These sessions consisted of a presentation led by the project team about the proposed program and rates, followed by a Q&A period. There were approximately 45 attendees at each session, in addition to CRD staff and consultants.

For those unable to attend the sessions, a 10-question survey, recordings of previous presentations, background documents and an FAQ document was hosted on the CRD's Get Involved page from May 29, 2024 to July 5, 2024.

Key themes raised through the consultation opportunities included:

- Comments regarding the total project costs included in the proposed DCC program potentially being too high

- Comments regarding the impact of the proposed DCC on housing affordability throughout the region
- Questions regarding the possibility of incorporating alternative funding strategies (e.g., grants, taxation, user rate adjustments) to off-set the proposed DCCs
- Questions regarding the possibility of conducting an economic analysis on the proposed DCCs to determine their impact on the regional housing market
- Questions regarding projects identified in the 2022 Regional Water Supply Master Plan
- Questions regarding the preparation of the DCC program (e.g., rate calculation, project timeline, growth projections)

In the Fall of 2024, an additional opportunity for feedback on the draft *Regional Water Supply Development Cost Charge Background Report* and the proposed DCC program was provided to interested parties. The report and an accompanying survey were published on the CRD's Get Involved RWS DCC webpage from October 10, 2024 to November 9, 2024.

Following the closure of the survey in November 2024, the CRD received additional correspondence from the Urban Development Institute (UDI). The UDI provided feedback and expressed concerns with the proposed DCC program.

In September 2025, the UDI provided the CRD with an economic analysis report which explored the status of the development industry in the CRD and the impacts of the proposed DCCs on development.

The CRD has also held ongoing communications with, and received feedback from, local First Nations on the applicability and impact of DCCs on reserve, treaty, and fee simple lands.

Transcripts and summaries of all conducted engagement opportunities were provided to the RWSC and CRD Board for review. CRD staff, the RWSC, and the CRD Board have taken the above feedback into consideration when setting the DCC rate and assist factor. All engagement materials are included in **Appendix D**.

## 6.3 BYLAW EXEMPTIONS

The *LGA* is clear that a DCC cannot be levied if the proposed development does not impose new capital cost burdens on the Regional District, or if a DCC has already been paid in regard to the same development. However, if additional further expansion for the same development creates new capital cost burdens or uses up capacity, the DCCs can be levied for the additional costs (i.e., net increase).

The *LGA* further restricts the levying of the DCC at the time of approval for a building permit if:

- The building permit is for a church or place of public worship as per the *Community Charter*; or

- The value of the work authorized by the building permit does not exceed \$50,000 or a higher amount as prescribed by bylaw; or
- Unit size is no larger than 29 sq.m. and only for residential use.

Changes to the *LGA* allow local governments to charge DCCs at the time of application for building permit on residential developments of fewer than four self-contained dwelling units, if such a charge is provided for in the Regional District's DCC bylaw. The CRD's existing DCC Bylaws specify the elimination of this exemption for residential developments of fewer than four self-contained dwelling units, resulting in the Regional District levying DCCs for development of three self-contained dwelling units or less.

## 6.4 DCC WAIVERS OR REDUCTIONS

Changes to the *LGA* in 2008 provide local governments with the discretionary authority to waive or reduce DCCs for certain types of development to promote affordable housing and low impact development. The CRD considered providing waivers or reductions when the existing DCC Bylaws for Juan de Fuca and Saanich Peninsula were developed and chose to continue to not provide any waivers/reductions.

The CRD is currently exploring the possible implementation of a DCC Waivers or Reductions grant program or Bylaw.

## 6.5 COLLECTION OF CHARGES – SUBDIVISION AND BUILDING PERMIT

Local governments can choose to collect DCCs at the time of subdivision approval or building permit issuance. Of the two possible collection times, subdivision approval occurs earlier in the process. It is expected municipalities will collect DCCs on behalf of the CRD. DCCs will be collected for Low-Density Residential Development at time of subdivision approval (for Single Family uses) or building permit issuance (for Two-Unit Dwellings). Collecting DCCs early will allow the CRD to ensure timely provision of infrastructure and services. DCCs for Medium- and High-Density Residential Development will be collected at time of building permit issuance when the final number of units is known. Non-residential land uses will also be levied DCCs at time of building permit issuance when gross floor area will be known, which results in more equitable distribution of growth costs.

## 6.6 COLLECTION OF DCCS ON REDEVELOPED OR EXPANDED DEVELOPMENTS

When an existing building or development undergoes an expansion or redevelopment there is usually a burden on DCC related infrastructure. In such cases, the applicant will be required to pay the applicable DCCs based on the additional number of new units or floor area for each land use type, as appropriate, at the DCC rates in the proposed DCC bylaw. DCCs are only levied on the new development/building area.

Examples of collecting DCCs on redeveloped or expanded developments are as follows:

- If a single family residential unit is replaced by another single family residential unit then no additional DCCs are payable as there is no new burden.
- If a subdivided lot, which has already paid a DCC, is developed into a Two-Unit Dwelling, only one (1) additional DCC would be collected at time of building permit.
- If a lot is subdivided into two, for example, to construct two small lot single family residential units, then DCCs are payable on the one additional single family residential lot.
- If a multi-family residential development is replaced by another multi-family residential development with the same unit mix and number of units, then no additional DCCs are payable.

## 6.7 IN-STREAM APPLICATIONS

Should the proposed DCC Bylaw be adopted, rates will be in force immediately at time of DCC Bylaw adoption; however, the *LGA* provides special protection from rate increases for development applications that are submitted prior to the adoption date. There are two ways a developer can qualify for protection from the DCC rates:

1. Pursuant to section 511 of the *LGA* (subdivision).

If the DCC Bylaw is adopted after a subdivision application is submitted and the applicable subdivision fee is paid, the new DCC Bylaw has no application to the subdivision for 12 months after the DCC Bylaw is adopted. As such, if the subdivision is approved during the 12 months' grace period, no DCC rates apply since this is a new DCC fee. This only applies in cases where DCCs are levied at subdivision.

OR

2. Pursuant to section 568 of the *LGA* (building permits).

The DCC Bylaw is not applicable to a construction, alteration or extension if: (a) a building permit is issued within 12 months of the DCC Bylaw adoption, AND (b) either a building permit application, a development permit application or a rezoning application associated with the construction (defined as "precursor application") is in stream when the DCC Bylaw is adopted, and the applicable application fee has been paid. The development authorized by the building permit must be entirely within the area subject to the precursor application.

The above is a summary of sections 511 and 568 of the *LGA* and not an interpretation or an explanation of these sections. Developers are responsible for complying with all applicable laws and bylaws and seeking legal advice as needed.

## 6.8 PAYMENT BY INSTALMENT

Where DCCs or ACCs are \$50,000 or greater, the applicant may elect to pay by instalments (over 4 years), provided that:

- Payments are secured with a suitable form of security, such as a Letter of Credit (LOC) or a surety bond for qualified applicants
- Instalments are paid over 4 years as follows:
  - 25% of the total DCCs payable will be due at subdivision or building permit approval
  - The remaining 75% will be due at time of occupancy or within four years, whichever is earlier

## 6.9 DCC CREDITS AND REBATES

The CRD has an established JdF WDS DCC Credits Policy that specifies when the CRD will provide a DCC credit and the parameters of how a credit is calculated. This Credit Policy aligns with the use of DCC credits and rebates as stipulated in the *LGA* and referenced in the Best Practices Guide. However, given the scale and nature of the Regional Water Supply service and DCC project list, it is not anticipated that developers will be involved in the delivery of any of the proposed RWS DCC projects. Though if this were to occur, it is expected a similar approach to credits as used for the JdF WDS will be applied to the RWS service.

## 6.10 DCC MONITORING AND ACCOUNTING

In order to manage the DCC Program, the CRD should enter all the projects contained in the DCC program into its management system (as currently used for the Juan de Fuca Water Distribution System DCC and the Saanich Peninsula Water and Wastewater DCC). The system would monitor the status of the project from the conceptual stage through to its final construction. The system would include information about the estimated costs, the actual construction costs, and the funding sources for the projects. The construction costs would be based on the tender prices received, and the land costs based on the actual price of utility areas and or other land and improvements required for servicing purposes. The system would indicate when projects are completed, their actual costs, and would include new projects that are added to the program.

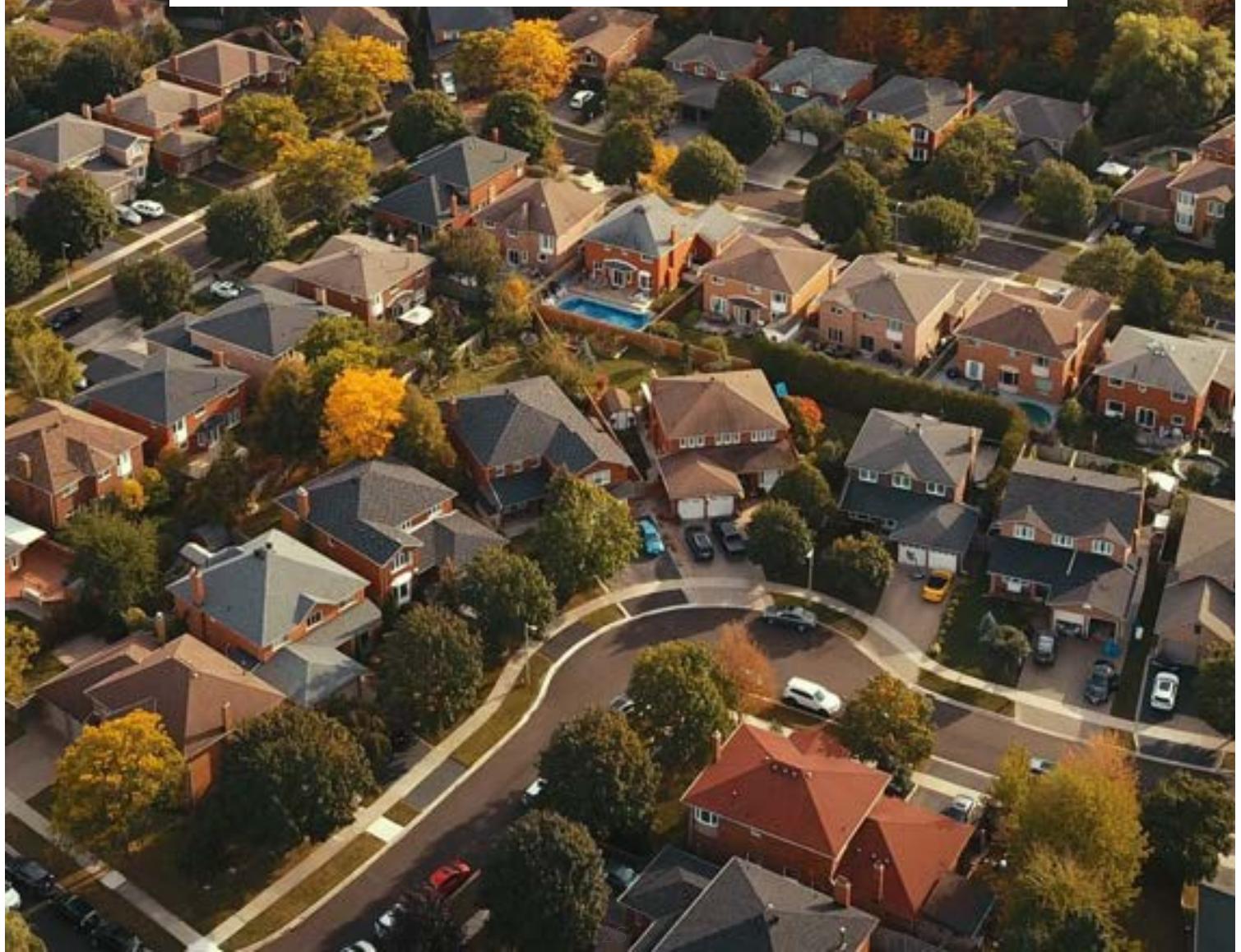
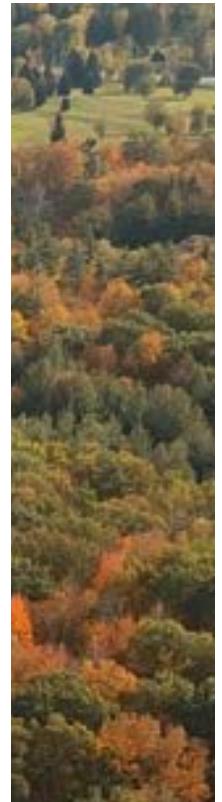
## 6.11 DCC REVIEWS

It is recommended that the CRD review the proposed RWS DCC program annually to monitor changes in project status, costs, or growth. Based on its annual review, the CRD may make minor amendments to the DCC rates. Typically, a major amendment to the DCC program and rates is needed every 3 – 5 years. These review processes will mirror those followed for other regional CRD DCCs.

## APPENDIX A: PROPOSED DCC BYLAW

The draft RWS DCC Bylaw is attached to the staff report and would be appended here in the submission to the BC Inspector of Municipalities.

## APPENDIX B: DCC CHECKLIST





## Development Cost Charge (DCC) Submission Summary Checklist

*(to be completed by local government)*

### DCC BYLAW(S) No. 4658 Capital Regional District (CRD)

IS THIS A:

- New DCC Bylaw
- Major DCC Bylaw Amendment
- Minor DCC Bylaw Amendment

Please complete the following checklist by marking the appropriate boxes and providing references to background material and other information required for approval of a DCC Bylaw by the Inspector of Municipalities.

If DCCs are established on a basis other than those set out in the [\*Development Cost Charges Best Practices Guide\*](#), please provide a brief explanation for the approach being used. If space is insufficient, please reference pages in the information submitted to the Inspector of Municipalities where these matters are described or append additional pages as necessary.

	DCC Recommended Best Practice	Submission Page Reference
1.	<p>Did the development of this DCC Bylaw include:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> a full public consultation process as described in the <i>Development Cost Charges Best Practices Guide</i>?</li> <li><input checked="" type="checkbox"/> input from stakeholders?</li> <li><input type="checkbox"/> council/board input only?</li> </ul> <p>Between May 2024 to December 2025, the CRD conducted a full public consultation process and requested input from interested parties as follows:</p> <ul style="list-style-type: none"> <li>• Staff <ul style="list-style-type: none"> <li>○ 14 workshops with each Member Municipality's staff</li> </ul> </li> <li>• Councils and Elected Officials <ul style="list-style-type: none"> <li>○ 13 meetings with each Member Municipality's Council (and a meeting with elected officials from Juan de Fuca Electoral Area A)</li> <li>○ Attendance at 6 Regional Water Supply Commission meetings</li> </ul> </li> <li>• Public <ul style="list-style-type: none"> <li>○ 1 virtual information session (delivered via Zoom)</li> <li>○ 2 online surveys hosted on the CRD's Get Involved webpage (1 regarding the proposed RWS DCC program, 1 regarding the proposed RWS DCC draft background report)</li> </ul> </li> <li>• Development Community</li> </ul>	p. 20-21

	DCC Recommended Best Practice	Submission Page Reference
	<ul style="list-style-type: none"> <li>○ 1 virtual information session (delivered via Zoom)</li> <li>○ 2 online surveys hosted on the CRD's Get Involved webpage (1 regarding the proposed RWS DCC program, 1 regarding the proposed RWS DCC draft background report)</li> </ul> <p>The CRD has also held ongoing communications with, and received feedback from, local First Nations on the applicability and impact of DCCs on reserve, treaty, and fee simple lands.</p>	
2.	<p>Are DCCs established:</p> <p><input checked="" type="checkbox"/> on a municipal-wide basis? <b>(Region-wide)</b></p> <p><input type="checkbox"/> on an area specific basis?</p> <p>All DCC projects included within this program service municipalities within the Regional Water Supply service area, which include all local governments within the Capital Regional District.</p> <p>The DCC is therefore charged system-wide (or region-wide) based on infrastructure that is reasonably expected to service the whole network to meet growth needs in all member municipalities.</p>	p. 2, 9
3.	<p>Is the DCC program:</p> <p><input checked="" type="checkbox"/> a revolving program -- <b>30 Years to Renewal?</b></p> <p><input type="checkbox"/> a build out program Years to Completion?</p> <p><input type="checkbox"/> other?</p> <p>The timeframe for the CRD's Regional Water Supply DCC program extends 30 years to align with the Regional Growth Strategy and RWS 2022 Master Plan time frames.</p>	p. 2
4.	<p>Are DCCs for single-family land uses being collected, at the time of:</p> <p><input checked="" type="checkbox"/> subdivision?</p> <p><input type="checkbox"/> building permit issuance?</p> <p>DCCs are levied on low density residential uses at time of subdivision. It is easiest to collect DCCs for these uses at subdivision.</p>	p. 3
5.	<p>Are residential DCC categories established on the basis of:</p> <p><input checked="" type="checkbox"/> density gradient?</p> <p><input type="checkbox"/> building form?</p> <p><input type="checkbox"/> other?</p> <p>Residential DCCs were established on a density gradient to reflect best practices and ensure fairness in the application of DCCs. Medium and high density residential uses are based on a differentiation between building form (ground-oriented vs. non-ground-oriented dwelling units).</p>	p. 3
6.(a)	<p>Are residential DCCs imposed on the basis of:</p> <p><input checked="" type="checkbox"/> development units?</p> <p><input type="checkbox"/> floor space?</p>	p. 3

	DCC Recommended Best Practice	Submission Page Reference
	<input type="checkbox"/> other? <p>The residential categories for the DCC were established based on development lots and units to ensure fairness in the application of DCCs, as well as to be consistent with growth projections.</p>	
6.(b)	<p>Are commercial and institutional DCCs imposed on the basis of:</p> <p><input checked="" type="checkbox"/> floor space?</p> <p><input type="checkbox"/> other?</p> <p>Commercial and institutional DCCs are imposed on the basis of floor space (gross floor area), which includes only the building footprint.</p>	p. 3
6.(c)	<p>Are industrial DCCs imposed on the basis of:</p> <p><input type="checkbox"/> gross site area?</p> <p><input checked="" type="checkbox"/> other? <b>(per square metre of Gross Floor Area)</b></p> <p>Industrial DCCs are levied on a floor space basis, which includes only the building footprint. This is seen as fairer than charging for the developed area of industrial developments.</p>	p. 3
7.(a)	<p>Does the DCC Bylaw clearly allow DCCs to be levied at the building permit stage on fewer than four (4) self-contained dwelling units according to section 561 (6) of the <i>Local Government Act</i>?</p> <p><input checked="" type="checkbox"/> Yes. Bylaw section 3.2</p> <p><input type="checkbox"/> No. DCCs will not be levied on building permits for fewer than four (4) self-contained dwelling units.</p>	p. 21-22
7.(b)	<p>Does the DCC Bylaw provide an exemption for the value of work authorized by permit that is greater than \$50,000?</p> <p><input type="checkbox"/> Yes. Bylaw section #_____</p> <p><input checked="" type="checkbox"/> No</p>	p. 21-22
7.(c)	<p>Does the DCC Bylaw provide an exemption for self-contained dwelling units with an area authorized by building permit that is greater than 29 square metres?</p> <p><input type="checkbox"/> Yes. Bylaw section #_____</p> <p><input checked="" type="checkbox"/> No</p>	p. 21-22
8.	<p>Is the DCC Program consistent with:</p> <p><input checked="" type="checkbox"/> the <i>Local Government Act</i>?</p> <p><input checked="" type="checkbox"/> the Regional Growth Strategy (if any)?</p> <p><input checked="" type="checkbox"/> the Official Community Plan?</p> <p><input checked="" type="checkbox"/> the Master Servicing/Management Plans?</p> <p><input checked="" type="checkbox"/> an Affordable Housing Policy?</p> <p><input checked="" type="checkbox"/> a Five-Year Financial Plan?</p> <p>The DCC program has been developed to be consistent with the above documents, as well as additional CRD documents, municipal Official Community Plans, and Neighbourhood Plans.</p>	p. 7

	DCC Recommended Best Practice	Submission Page Reference
9.	<p>Are DCC recoverable costs, consistent with policy in the <a href="#"><u>Development Cost Charges Best Practices Guide</u></a>, clearly identified in the information submitted with the DCC Bylaw:</p> <p><input checked="" type="checkbox"/> cost allocation between new and existing?</p> <p><input checked="" type="checkbox"/> grant assistance?</p> <p><input checked="" type="checkbox"/> developer contribution?</p> <p><input checked="" type="checkbox"/> assist factor?</p> <p><input checked="" type="checkbox"/> interim financing?</p> <p><input type="checkbox"/> other?</p> <p>If not selected, why not? N/A</p>	p. 2, 14-15, 19
10.	<p>Confirm all projects in the DCC program are owned or controlled by this local government and will be capitalized on its financial statements.</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If No, please explain.</p>	p. 13
11.	<p>Is capital cost information provided for (<i>select all that apply</i>):</p> <p><input type="checkbox"/> roads? <b>N/A</b></p> <p><input type="checkbox"/> storm drainage? <b>N/A</b></p> <p><input type="checkbox"/> sanitary sewer? <b>N/A</b></p> <p><input checked="" type="checkbox"/> water?</p> <p><input type="checkbox"/> fire protection? <b>N/A</b></p> <p><input type="checkbox"/> police? <b>N/A</b></p> <p><input type="checkbox"/> solid waste and recycling? <b>N/A</b></p> <p><input type="checkbox"/> parkland? <b>N/A</b></p> <p><input type="checkbox"/> parkland improvements? <b>N/A</b></p>	ref. p. 14-15, 19
12.	<p>Has a detailed listing of parkland improvements been included to confirm items fall within allowable categories listed in sec. 566 (2)(b)(ii) of the <i>Local Government Act</i>?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If No, please explain. This regional DCC only includes a water program.</p>	
13.	<p>Are DCC recoverable costs which include interest clearly identified in the DCC documentation as follows (<i>select all that apply</i>):</p> <p><input checked="" type="checkbox"/> interest on long-term debt is excluded for all projects?</p> <p><input type="checkbox"/> for specific projects, interest on long-term debt is included?</p> <p>If interest on long-term debt is included for specific projects, does the DCC submission include:</p>	p. 2, 19

	DCC Recommended Best Practice	Submission Page Reference																											
	<input type="checkbox"/> clear identification of which projects have interest included? <input type="checkbox"/> the portion of project cost that is for interest cost? <input type="checkbox"/> a council/board resolution authorizing the use of interest? <input type="checkbox"/> confirmation that the interest applied does not exceed the Municipal Finance Authority (MFA) rate or if borrowing has already been undertaken, the actual rate providing it does not exceed the MFA rate? <input type="checkbox"/> confirmation that the amortization period does not exceed the DCC program time frame? <input type="checkbox"/> evidence that the current DCC reserve fund balance is insufficient for the work in question? <input type="checkbox"/> demonstration that the project is an exceptional circumstance (fixed capacity, out-of-sequence, or greenfield)? <input type="checkbox"/> evidence of public consultation and disclosure in the financial plan and DCC report regarding inclusion of interest?																												
14.	Does the assist factor reflect: <input checked="" type="checkbox"/> the community's financial support towards the financing of services for development? <input checked="" type="checkbox"/> consideration that DCCs will not deter development? <input type="checkbox"/> other?	p. 2, 18																											
	The assist factor reflects extensive discussion with the Regional Water Supply Commission, the CRD Board, staff, and interested parties; DCC best practices and precedents set by other regional bodies and municipalities were also taken into consideration.																												
15.	Has an assist factor been provided for: <table> <tbody> <tr> <td><input type="checkbox"/> roads?</td> <td>Assist factor</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/> storm drainage?</td> <td>Assist factor</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/> sanitary sewer?</td> <td>Assist factor</td> <td>N/A</td> </tr> <tr> <td><input checked="" type="checkbox"/> water?</td> <td>Assist factor</td> <td>1%</td> </tr> <tr> <td><input type="checkbox"/> fire protection?</td> <td>Assist factor</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/> police?</td> <td>Assist factor</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/> solid waste and recycling?</td> <td>Assist factor</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/> parkland?</td> <td>Assist factor</td> <td>N/A</td> </tr> <tr> <td><input type="checkbox"/> parkland improvements?</td> <td>Assist factor</td> <td>N/A</td> </tr> </tbody> </table>	<input type="checkbox"/> roads?	Assist factor	N/A	<input type="checkbox"/> storm drainage?	Assist factor	N/A	<input type="checkbox"/> sanitary sewer?	Assist factor	N/A	<input checked="" type="checkbox"/> water?	Assist factor	1%	<input type="checkbox"/> fire protection?	Assist factor	N/A	<input type="checkbox"/> police?	Assist factor	N/A	<input type="checkbox"/> solid waste and recycling?	Assist factor	N/A	<input type="checkbox"/> parkland?	Assist factor	N/A	<input type="checkbox"/> parkland improvements?	Assist factor	N/A	p. 2, 19
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<input type="checkbox"/> parkland?	Assist factor	N/A																											
<input type="checkbox"/> parkland improvements?	Assist factor	N/A																											
16.	Is a DCC monitoring system established to provide a clear basis for the tracking of projects and the financial status of DCC accounts: <input type="checkbox"/> in place? <input checked="" type="checkbox"/> to be set up?	p. 24																											
	The RWS DCC will be tracked and monitored using systems based on those already in place for the CRD's existing regional DCC programs (the Juan de Fuca Water Distribution System (WDS) DCC and the Saanich Peninsula Water and Wastewater DCC).																												

	DCC Recommended Best Practice	Submission Page Reference
17.	<p>Is a suitable period of notification before a new DCC Bylaw is in effect, known as a grace period, provided for:</p> <p><input checked="" type="checkbox"/> Yes <b>(The proposed DCC Bylaw has an effective date of adoption set for April 2, 2027, as per the attached Bylaw)</b></p> <p><input type="checkbox"/> No</p>	p. 23
18.(a)	<p>Does the DCC Bylaw set out the situations in which a DCC credit or rebate are to be given?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	p. 24
18.(b)	<p>if No, has the council/board adopted a policy statement that clearly identifies situations in which a DCC credit or rebate should be given or would be considered by council/board?</p> <p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p> <p>If Yes, a copy of the policy statement is included with this submission.</p> <p><b>If No, why not?</b> The CRD is currently in the process of determining whether to proceed with the creation of a policy for DCC credits, rebates, or grants. It is not anticipated that developers will be involved in the delivery of the proposed RWS DCC projects. If this were to occur, it is expected to be a similar approach to credits as outlined in the Juan de Fuca WDS DCC's Credit Policy.</p>	ref. N/A
19.	<p>In a separate bylaw, are any DCC waivers or reductions on eligible development provided, or will be provided, according to section 563 of the <i>Local Government Act</i>?</p> <p><input checked="" type="checkbox"/> No. Waivers and reductions will not be provided. <b>(The CRD is in the process of determining whether to proceed with the creation of a DCC Waivers or Reductions Bylaw)</b></p> <p><input type="checkbox"/> Yes. Bylaw #_____</p> <p>If yes, the amount of DCCs waived or reduced should be recovered from existing users and not future development.</p>	p. 22
20.	<p>Has a process been established to provide for minor routine amendments to the DCC Bylaw to reflect changes in construction or other capital costs:</p> <p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p><input type="checkbox"/> other</p> <p>The proposed process for minor updates is outlined in the RWS DCC background report, which recommends minor updates every 1-3 years based on need and is aligned with existing processes for other regional DCC bylaws.</p>	p. 24
21.	<p>Has a process to provide for major amendments to the DCC bylaw, involving a full review of DCC issues and methodology, to be completed not more than once every five years:</p> <p><input checked="" type="checkbox"/> been established?</p> <p><input type="checkbox"/> not considered necessary?</p> <p><input type="checkbox"/> other?</p>	p. 24

	DCC Recommended Best Practice	Submission Page Reference
	The CRD has regional DCC bylaws with established processes for major updates, which are undertaken every 5 years. As outlined in the RWS DCC background report, the RWS DCC's proposed process for major amendments will be similar to those used for the existing regional DCC bylaws.	
22.	<p>Has the council/board properly considered whether the DCCs:</p> <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> are excessive in relation to the capital cost of prevailing standards of service?</li> <li><input checked="" type="checkbox"/> will deter development?</li> <li><input checked="" type="checkbox"/> discourage the development of reasonably priced housing or serviced land?</li> </ul> <p>The CRD Board and the Regional Water Supply Commission have reviewed the DCC program and considered the impacts of the DCCs on development.</p>	p. 2, 18, 20-21
23.	<p>Does the local government have an adopted Amenity Cost Charge Bylaw?</p> <p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p> <p>If Yes, what is the charge for single family residential? \$  Bylaw #</p>	
	<p>Contact _____ Position _____ Phone _____</p> <p>*Signed by _____ Position _____  _____  (*signature of the Head of Engineering, Finance or Planning.)</p> <p>Signed by (second signature optional) _____  Position _____ Date _____</p>	

Summary of DCCs			
Charges	Existing (\$)	Proposed (\$)	% Inc/(Dec)
Water	\$0	\$9,044	N/A
Sewer			
Drainage			
Road			
Fire			
Police			
Solid Waste and Recycling			
Parkland Acquisition and Improvement			
<b>TOTAL</b>	<b>\$0</b>	<b>\$9,044</b>	

\*Note: the above rate is for the Low-Density Residential category.

## APPENDIX C: ENGAGEMENT MATERIALS

The following documents have been removed for the purpose of this staff report and would be included in the submission to the BC Inspector of Municipalities:

1. RWS DCC Engagement Summary (Vol. 1)
  - Presented at RWSC Meeting of April 17, 2024
2. RWS DCC Engagement Summary (Vol. 2)
  - Presented at RWSC Meeting of September 25, 2024
3. RWS DCC Engagement Summary (Vol. 3)
  - Presented at RWSC Meeting of November 19, 2025

